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RV BUSINESS

VOLUME 42, NUMBER 19 MARCH 1992

Park Model Makers See '92 Sales Upswing 16

ADCO Outwits Recession 19

RV Heating/Cooling & Air-Conditioning Directory 40

RV BUSINESS

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COVER: TOP PHOTO OF PARK MODEL FROM FAIRMONT HOMES INC., IN NAPPANEE, IND.; COMPUTER ILLUSTRATION BY CAROL HENRY; BOTTOM PHOTO BY STEVE ECHOLS.

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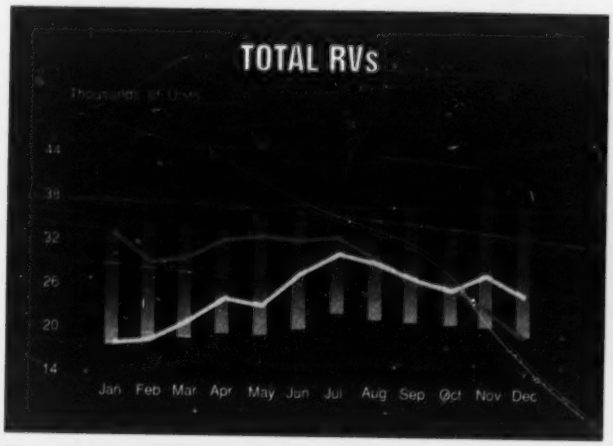


Figure 1

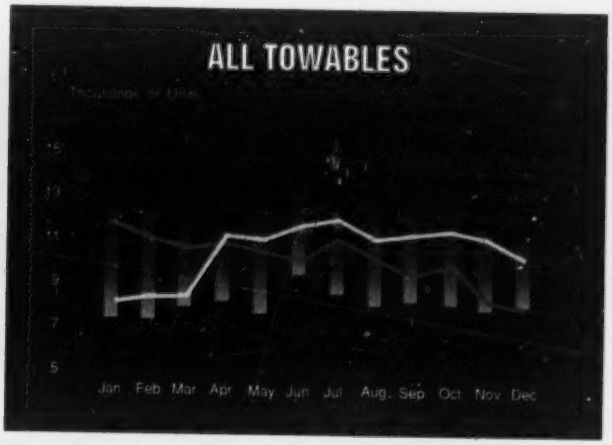


Figure 2

■ 1981-90 Shipment's Range
■ 1990 Monthly Shipments
□ 1991 Monthly Shipments

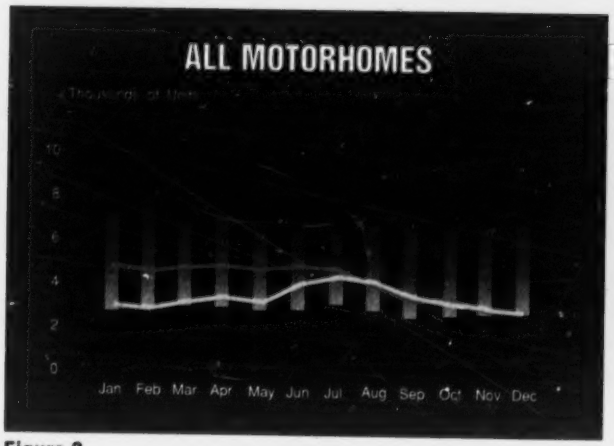


Figure 3

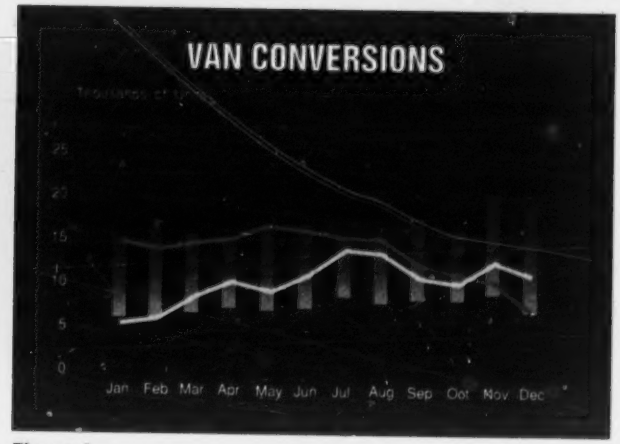


Figure 4

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Dec. '91	% Change From Nov. '91	% Change From Dec. '90	Year-to-Date 1991	% Change From '90	% Market Share '91
TOTAL RVs	**25,350**	**-9.1**	**32.0**	**301,910**	**-13.8**	**100.00**
Travel Trailers:						
Conventional	3,910	-8.7	3.8	49,700	-3.9	16.46
Park Models	500	-27.2	-16.7	6,890	-4.6	2.28
Fifth-wheels	2,110	-17.4	41.9	28,400	3.0	9.41
All Travel Trailers	6,530	-13.4	11.4	84,990	-1.8	28.15
Folding Trailers	2,960	-3.6	51.7	34,160	10.9	11.31
Truck Campers	810	27.0	23.9	9,550	-0.4	3.16
TOTAL TOWABLES	**10,290**	**-8.4**	**21.6**	**128,700**	**1.4**	**42.63**
Motorhomes:						
Class A	1,770	-4.8	8.1	23,520	-18.2	7.79
Class B	220	-3.5	-49.9	3,490	-40.5	1.16
Class C						
Minis	1,040	-3.8	40.3	13,060	-2.0	4.33
Low-profiles	0	0.0	-100.0	420	-29.6	0.14
Micro-minis	0	-100.0	-100.0	2,030	-36.9	0.67
Class C Total	1,040	-23.1	7.1	15,510	-9.5	5.14
TOTAL MOTORHOMES	**3,030**	**-11.9**	**-0.6**	**42,520**	**-17.9**	**14.08**
Van Conversions	12,030	-8.9	56.2	130,690	-23.9	43.29

Note: Data rounded to nearest 10 units; columns may not add to total because of rounding.

December Shipments Reveal Letdown

Closing out 1991, December shipments as reported by RVIA and then seasonally adjusted, showed slippage from the preceding month, although all major sectors except motorhomes performed considerably better than they did during December of 1990. While van conversions dropped 8.9% from November '91, they logged a hefty improvement over December '90 (56.2%). Towables lost ground by 8.4% from November '91 but also showed a sizable increase from December '90 (21.6%). The still-struggling motorhome sector slipped by 11.9% from November '91. (See Figures 1-4 and table.) RV shipments overall continued to narrow their year-to-date gap with a 13.8% difference, as compared with November's deficit of 16.5% from 1990. Δ

Statistical data is supplied by Morton J. Marcus, director of the Indiana Business Research Center at Indiana University School of Business and a member of the faculty.

COMPUTER GRAPHICS: CAROL HENRY

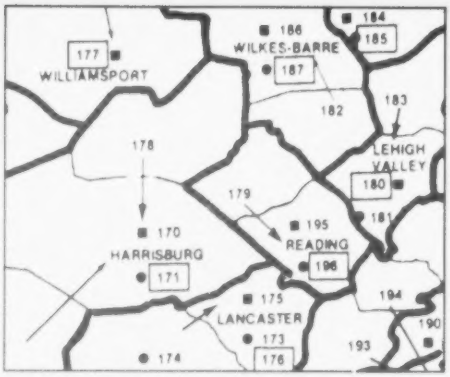
❷ TARGET INSERT CONTINUED

the insert is printed on card stock, you can even include a return card!

2) It's a highly-targeted advertising piece. Since you select the ZIP codes you want to reach, the insert is as targeted as you want to make it. And since *Highways* is distributed only to members of the Good Sam Club, the entire circulation of *Highways* is already pre-screened to include only the most active and involved RV owners.

3) It's a highly-visible advertising piece. A 6-page insert is something that will be noticed ***and read*** by every one of your potential customers. In fact, since the insert is printed on card stock, the magazine automatically opens to your insert every time!

In effect, the **Target Market Insert**



is like an elaborate direct mail piece that goes to every Good Sam member in your marketing area, with no wasted circulation to inflate your cost. According to *Highways* Magazine, it's the first advertising program designed from the ground up with RV dealers in mind.

For more information, contact your TL Enterprises representative❖

Through *Highways'* Target Market Insert Program, RV dealers can target their magazine advertising to any specific ZIP code—or combination of ZIP codes—in the United States.

ADVERTISING IN A RECESSION– WHO NEEDS IT?

For most dealers, the first instinct in a recession is to cut costs wherever possible. And the easiest cost to cut is usually the advertising budget.

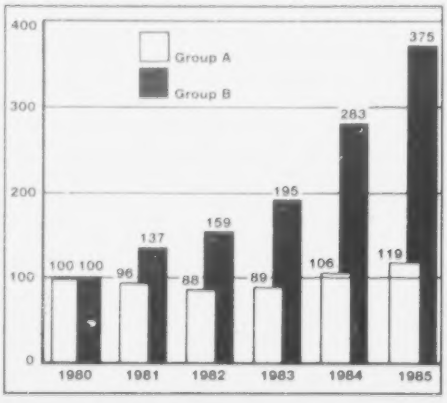
While this strategy seems to make sense at first glance, it overlooks one of the greatest strategic opportunities available to an RV marketer. Simply put, an economic downturn is one of the best chances a dealer has to increase sales volume and market share—on both a short-term and long-term basis.

To understand this opportunity, a dealer need only look at the alternatives. If you cut back on advertising, your sales will probably erode even more. Which means you've got to cut expenses even further. Which cuts even deeper into your sales. And so on. It's a steadily declining cycle from which some dealers may never recover.

On the other hand, if you aggressively advertise during a recession, you can pull sales from those competitors who are "running scared"...more effectively dominate the advertising media...and get a big jump on the market when the economy improves.

In a continuing study of U.S. recessions, McGraw-Hill Research analyzed 600 companies—in 16 different industries—from 1980 through 1985. The results showed that those companies who maintained or increased their advertising expenditures during the 1981-1982 recession averaged significantly higher sales growth than those which eliminated or decreased advertising—both during the recession and for the following three years!

By 1985, sales of companies which were aggressive recession advertisers had risen 256 percentage points over those which didn't keep up their advertising!❖



"An economic downturn is one of the best chances a dealer has to increase sales volume and market share."

Sales Indicies 1980-1985. Group A eliminated or decreased advertising in both 1981 and 1982. Group B maintained or increased advertising in both 1981 and 1982.

Source: McGraw Hill, Inc

Trailers Led November Sales

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Retail sales numbers for November 1991 found RV trailers up 2.13% over the previous November, although still down 6.14% for the year-to-date. The motorhome market performed less well, down from November 1990 as well as trailing 1990's year-to-date tally.

November motorhome sales dropped 25.3%, for a 770-unit decline, compared with the same month of 1990. For the year-to-date, motorhomes also lagged the first 11 months of 1990 by 9,565 units, or 21.1%.

> Motorhome sales had a setback in November.

In contrast, the RV trailer market experienced a 101-unit gain, or a 2.13% increase, over the previous November. For the year-to-date, however, trailer sales were still behind 1990's cumulative total by 6,349 units, or a 6.14% deficit.

Overall, RV trailers continued to gain ground compared with 1990's retail sales. But motorhome sales, which had begun to gather momentum, had a setback in November. Negative economic news widely reported in the media may have been one of the factors holding down November retail demand. Δ—*Thomas Walworth*

RV TRAILERS, NOVEMBER '91

Nov. '91 Rank	Region	% of Change from Nov. '90	Oct. '91 Rank
1	Mountain	24.0	5
2	W.N. Central	14.8	1
3	Pacific	13.5	6
4	S. Atlantic	2.2	7
5	Northeast	2.1	3
6	S. Central	-8.3	2
7	E.N. Central	-16.5	4

Figure 1

RV TRAILERS, YEAR-TO-DATE

Nov. '91 Rank	Region	% of Change Year-to-Date	Oct. '91 Rank
1	W.N. Central	2.61	1
2	E.N. Central	0.0	2
3	Mountain	-4.6	3
4	S. Central	-6.5	4
5	Pacific	-7.0	5
6	S. Atlantic	9.6	6
7	Northeast	-14.5	7

Figure 2

MOTORHOMES, NOVEMBER '91

Nov. '91 Rank	Region	% of Change from Nov. '90	Oct. '91 Rank
1	S. Central	1.6	2
2	Pacific	-3.6	6
3	W.N. Central	-15.87	1
4	Mountain	-30.2	5
5	S. Atlantic	-40.7	7
6	E.N. Central	-41.5	4
7	Northeast	-50.1	3

Figure 3

MOTORHOMES, YEAR-TO-DATE

Nov. '91 Rank	Region	% of Change Year-to-Date	Oct. '91 Rank
1	Pacific	-13.8	5
2	W.N. Central	-16.25	1
3	S.Central	-19.8	4
4	Mountain	-20.6	3
5	E.N. Central	-22.0	2
6	S. Atlantic	-31.2	6
7	Northeast	-32.1	7

Figure 4

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics to the RV industry for 30 years. Statistical Surveys is an acknowledged leader in the RV statistical field.

COMPUTER GRAPHICS: CAROL HENRY